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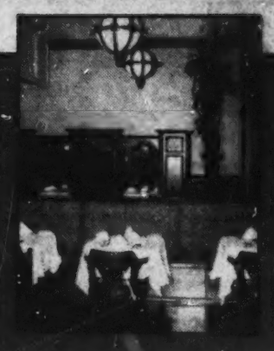
NEWSPAPER

'New South' rises in San Francisco

Samantha's opens/Page 3



Restaurant tree bears fruit in California

Liddle's West Coast/Page F4

00063160
MS. JEANNE LONG
CONGRESSIONAL INFO. SERV 170
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814 **
NR

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Hotels check in restaurateurs

Test food-service 'alternatives'

By Peter Romeo

Hotels are moving out of food service at a rapid clip by bringing in outside restaurant operators to provide guests with their meals and snacks.

(Details on page F3)

Among the restaurant companies recently recruited to provide hotel food service are Restaurant Associates, Arby's, Bobby McGee's, T.G.I. Friday's and S&A Restaurant Corp.

Several of the restaurant chains are using their hotel operations to test possible new markets, menu items and cooking methods for their freestanding units.

Arby's, for instance, is closely monitoring sales of fried chicken, roast chicken and chopped steak at its first hotel unit, in a Days Inn in Detroit. The chain also said its experiences with hotel room service at the Days unit could lead to the addition of delivery service at other stores.

S&A indicated a rotisserie could be adopted by Steak and Ale, Bennigan's or another of its concepts if the cooking system is well received at the Steak and Ale's Plaza Grill at the Embassy Suites hotel in Kansas City, Mo. The restaurant also features a smoker.

In addition, the move into hotel food service is giving many restaurant chains their first taste of on- and off-premises catering.

RESTAURANT CHAINS AT HOTELS

(Selected List)

Hotel Chain	Restaurant Chain
Days Inn	Arby's, Wendy's
Embassy Suites	Steak & Ale's Plaza Grill
Country Inns	Country Kitchen
Dillon Inns	Mother Tucker's
Holiday Inn	Red Lobster
Riviera Casino-Hotel (Las Vegas)	Burger King
La Quinta	McDonald's
Budgetel Inn	Kentucky Fried Chicken and Marc's Big Boy

Most of the restaurant chains listed here are operating one or two outlets at hotels as tests of new markets. Carlson Cos. owns Country Inns and Country Kitchen.

Source: NRN Research

Brock to purchase Flakey's

By Alan Liddle

IRVING, Tex. — Brock Hotel Corp. has reached an agreement to purchase Bellevue, Wash.-based Flakey Jake's, a 43-unit "gourmet" burger chain that sought court protection from its creditors last month.

Under an agreement reached on the same day Flakey Jake's filed for protection under Chapter 11 of the bankruptcy code, Brock Hotel Corp. would acquire the burger chain's 10 company-owned restaurants and its franchising system for between $4 million and $5 million. There are now 33 franchised units.

The bankruptcy court must approve the sale agreement by Dec. 2, or the deal is off, Brock president Thomas J. Corcoran told *Nation's Restaurant News*.

Brock's bid comes two years after it bought a pizza chain that was struggling to keep its head above water in bankruptcy court.

First Interstate Bank of

*(See **FLAKEY**, page 99)*

French-Oriental dishes — a mini-trend?

By Carolyn Walkup

A slowly growing number of adventurous independent restaurants are creatively combining French and various Oriental cuisines.

Two California restaurants, La Petite Chaya and Chinois on Main, are widely credited with starting the new mini-trend.

The former, owned by Yuji Tsunoda, began serving Franco-Japanese dishes five years ago. Wolfgang Puck and his wife, Barbara Lazaroff, opened Chinois on Main, a Chinese-French innovation, in Santa Monica in 1983.

But California is not the only place where East meets West in restaurant kitchens. New York has Cafe Japonais and Indochine, among others, and Chicago has Jackie's.

This increasingly popular combination of cuisines from France and Japan seem to have evolved from the Oriental in-

*(See **ORIENTAL**, page 16)*

McDonald's Quinlan adds ceo title

The leadership team at McDonald's: Fred Turner, McDonald's Corp. chairman, left, Mike Quinlan, McDonald's Corp. president (and ceo effective March 1987), seated, and Ed Rensi, president, McDonald's U.S.A.

By Don Jeffrey

OAK BROOK, Ill. — McDonald's Corp. has promoted its number-two man, 41-year-old president Michael R. Quinlan, to chief executive officer, placing him directly in line to succeed Ray Kroc's handpicked chairman, Fred L. Turner.

Turner, 53, will relinquish the chief executive's title but remain chairman of the company and chairman of a newly formed executive committee. "I feel it's time to pass the CEO baton to Mike," Turner stated in a company release. "He's ready, and I'm comfortable the timing is right." He also said he would continue his day-to-day involvement with McDonald's after the Quinlan promotion becomes effective March 1.

Company vice president Richard Starmann said the move would allow Turner "the opportunity to get into areas he hasn't had time for before—domestic and international."

The news came just days before McDonald's, the nation's biggest restaurant company, reported 11%-to-12% increases in both profits and revenues

*(See **QUINLAN**, page 99)*

FOOD WATCH

Mama Mia! Pasta prevails

NEW YORK — Pasta has taken the center stage at Sandro's and Lello, two East Side Manhattan Italian restaurants.

Chef Sandro Fioriti of Sandro's, 420 E. 59th St., created six special pasta dishes to mark the New York City Marathon. After serving one of them, a sweet spaghetti pie, to Italian runners in town for the big foot race, Fioriti offered his special pastas to the public for seven days. A complete dinner, priced at $27.50, included ravioli and sea urchin with a sauce of baby scallops; *lasagnetta* with radicchio; *fusilli* with oxtail sauce; *farfallette* with tomatoes; spaghetti with *calamaretti* and sweet spaghetti pie.

Over at Lello, on 65 E. 54th St., chef-owner Enzo Arpaia has just begun a year-long pasta promotion. He is offering a different special pasta dish every week through next October. Among the 52 choices: *rotini al tramonto* (week of Nov. 17), *ravioli di porcini* (Feb. 9), *penne al caviar* (May 11) and *linguine alla pesacatore* (May 18).

"Of course, we probably have served more than 200 different kinds of pastas since we opened in 1982," Arpaia said. "But these head the list for customer appeal." *(Joe Edwards)*

Additional food news, page 10 and elsewhere inside

Ark group buys Ritz Cafe, downplays Cajun menu

By Alan Liddle

NEW YORK — Ark Restaurants has purchased the Ritz Cafe, California restaurateur Sam DuVall's Cajun-Creole restaurant on 32nd Street, and will give the menu a "revoluntionary" fishy flavor, add "fun elements" to the decor and begin delivery, Ark president Michael Weinstein said.

He also said that at this point he has no plans to change the name.

Weinstein, who believes that Cajun food has only "limited" appeal, said Ark had already added to the Ritz Cafe what he termed as possibly "the largest [shellfish and other seafood] raw bar in New York."

The new menu is not devoid of Cajun dishes but does gives them a "less important" role, he said. It features a large selection of fresh seafood, which customers can order poached, broiled or grilled as they wish or in the style of preparation recommended by the chef.

Weinstein said he thought that menu format "has never been done before."

Though the Ritz Cafe is situated in a 900,000-sq.-ft. commercial building, with an estimated 3,000 to 4,000 occupants, it has not offered delivery to its fellow tenants in the past. Weinstein said the restaurant will now offer such a service and expects it to be "very profitable."

Part of the New York Ritz Cafe's woes under DuVall could be traced to the restaurant's inability to establish a substantial dinner trade. However, that did not sour Ark on the restaurant, Weinstein said, because "we've shown in the past that we can deliver dinner business in places where people are not accustomed to traveling for dinner."

He said that the restaurant's decor was "comfortable but plain" and that Ark would do a limited amount of remodeling.

A major factor behind his decision to buy the restaurant, he explained, was his belief that it was "underpriced."

Besides making changes in the Ritz Cafe, Weinstein said, Ark is in the process of adding 60 to 70 seats to its Metro Cafe and is doubling the size of the bar and adding about 50 dining seats at its Albuquerque Eats. He said the company recently closed its Nanny Rose operation after the lease expired but would consider reopening in the area if some "quality space" became available.

The sale of the Ritz Cafe—for an undisclosed amount—was finalized Oct. 22 and ended 46-year-old DuVall's brief stint as a bicoastal operator. He opened the Manhattan restaurant in November 1985 after successes with the Elite Cafe in San Francisco, which he has since sold to his former partners, and the original Ritz Cafe in Los Angeles. Carolyn Chandler is his partner in the Ritz Cafes.

DuVall told *Nation's Restaurant News* the Manhattan restaurant, which he estimated would hit about $2.8 million in sales in 1986, has struggled because of his unfamiliarity with the market. He said he finally decided that it would be too much trouble to try to turn it around while maintaining the standards at his two West Coast restaurants.

In addition to the Los Angeles Ritz Cafe, which he expects to do $3.9 million in sales this year, and his 9-month-old Samantha's in San Francisco, on its way to a $2 million first year, DuVall recently purchased a third restaurant in Los Angeles. Called The Sugar Shack, it will serve Caribbean cuisine, he said.

Price 'retires' from Texas Restaurant Association

By Charles Bernstein

AUSTIN, Tex. — After 36 years with the Texas Restaurant Association (TRA), Wilfred Holmes Price (better known as W. H. or "Buckshot"), 58, "retired" last month by unanimous vote of the association's 13-person executive committee.

Richard E. Jackson, 36, who had been the TRA's chief legislative lobbyist and Price's assistant, succeeded him last November as executive vice president and staff chief when Price was moved to a crosstown office as convention chairman. Eugene Smith, staff convention manager, now becomes convention vice president.

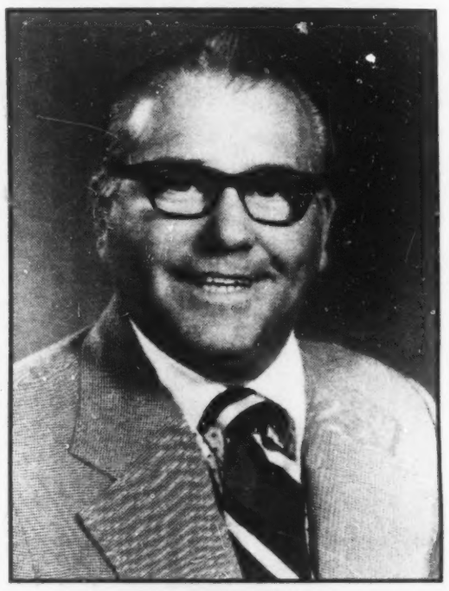
"I was removed from office in October," Price declared in an interview. "It was a very sad day for me and for the association, considering that a Price has led the TRA for almost its entire 50-year history." His father, Wilfred Price (known as W. Price), was active with the association starting in 1940 and then was executive vice president until his death in 1974, when Buckshot succeeded him.

"The executive committee voted an extremely generous retirement package for Buckshot," said TRA 1986-87 president Susan Hasslocher. "We have the greatest admiration for Buckshot and everything he has done for Texas and the association. Our hearts go out to him and his family. At this time we also have the greatest faith that Richard Jackson will carry the association and the annual convention forward better than ever."

Price earlier had indicated he "might consider retiring" next summer after the TRA's 50th annual Dallas convention June 16 to June 18, 1987, which he saw as a fitting capstone to his career. But, he said, the retirement was far from definite even then, and "I guarantee the entire United States that I did not retire voluntarily now." He emphasized that he would seek another job opportunity.

Although standing just 5 feet 7 inches, Buckshot was considered a giant in the industry for the past decade. He would

*(See **PRICE**, page 4)*



Wilfred "Buckshot" Price
retired TRA president

LATE NEWS DIGEST

Paris licensee sells units

MIAMI — Burger King's parent Pillsbury Co. has entered into an agreement to purchase the eight Burger King restaurants operated in Paris by Societe de Fast Food (3F), according to C. Ronald Petty, president of the Burger King's international division. The licensee had opened its first Burger King in 1980.

Perelman eyes Transworld

NEW YORK — In what investors view as the first step in a takeover of Transworld Corp., corporate raider Ronald O. Perelman has amassed a 15% stake in the conglomerate, which is the parent of Canteen Corp., Spartan Food Systems and Hilton International. *(For latest on Transworld's earnings, see page 101).*

Clorox sells restaurants

OAKLAND, Calif. — Clorox Co. has sold seven of its 11 Emil Villa's Hickory Pit restaurants to president Michael Kwiatowski and three senior vice presidents: Roger Studebaker, John Buck and Dave Preuss. The outlets are in the San Francisco area. Meanwhile, Clorox sold two Seattle restaurants to Sizzler for conversions and hired Kwiatowski's group to operate the remaining two company-owned outlets.

Delta offers meal discounts

ATLANTA — Delta Airlines is distributing Meal Ticket discount coupons to passengers traveling to Florida. The coupons can be used to reduce the price of meals at Long John Silver's, Steak & Ale, Kentucky Fried Chicken, Pizza Hut, Taco Bell, Hardee's, and International House of Pancakes. The airline is promoting the Meal Tickets and other deals in full-page newspaper ads.

WALL STREET UPDATE

0.5

Index drops to 160

NEW YORK — Reversing two weeks of gains, the *Nation's Restaurant News* Stock Index fell 0.5 points in the week ended Oct. 24, closing at 160.2. Price-change losers beat the winners by about 7 to 5.

(Full story, tables on pages 100-101.)

AIRCOA eyes acquisition

DENVER — Associated Inns & Restaurants Co. of America (AIRCOA) confirmed that its parent concern, AIRCOA Holdings, has agreed in principle to acquire a rival hotel management company that currently operates more than 45 hotels. An Associated Inns spokeswoman refused to identify the privately held concern being sought.

Test market changed

MADISON, Wis. — A test of Rocky Rococo pizza units at 7-Eleven convenience stores will take place in Fort Worth, Texas, and not Detroit and Los Angeles as previously reported. The two chains expect to be serving Rocky Rococo pizza slices in 10 stores by year's end.

Vicorp deal set

DENVER — Officials of Vicorp Restaurants Inc. said at presstime that it was about to close the previously announced sale of its specialty restaurants subsidiary to a group headed by Vicorp chairman Gordon Miles for $81 million cash and $17.5 million in stocks and notes.

From staff and wire reports

INSIDE THIS ISSUE

American Express has launched a cooperative advertising program that offers restaurants a choice of "mix and match" copy blocks and borders. *Page 15.*

Solutions must be found quickly for a myriad of sanitation and safety problems in food service, Quaker Oats executive Russell Jones declared. *Page 20.*

Grain products have gained an important place in the American diet mostly because of the rise in popularity of ethnic restaurants, a government report said. *Page 33.*

Two contract feeders—Guest Services and Daka—will provide food service at The Smithsonian in Washington under the terms of new contracts. *Page 61.*

Discus Corp., a Fuddruckers franchisee, plans to open its first franchised Brick Oven Beanery in Bloomington, Minn. *Page 65.*

Restaurants Unlimited has opened a steak, chop and fish house called Kincaid's in Minneapolis after shutting a Stats restaurant in Chicago. *Page 72.*

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COVER STORY

FREESTANDERS GET NOD FROM HOTEL OPERATORS

By Peter Romeo

One of the hottest trends in hotel food service has Arby's frying chicken, T.G.I. Friday's providing room service, Bennigan's serving breakfast and S&A Restaurant Corp. operating a deli.

After nearly two years of industry-wide food-and-beverage sales declines, an increasing number of hotels are pulling out of food service and recruiting freestanding restaurant operators willing to explore new ground.

In recent weeks alone, Embassy Suites, the all-suites hotel chain, has disclosed plans to have S&A Restaurant Corp. manage all food-and-beverage operations at six properties, Bobby McGee's operate a restaurant at a new Burlingame, Calif., hotel and Restaurant Associates provide food-and-beverage services at a property to be built in the Meadowlands area of New Jersey.

Days Inns, the economy-priced hotel chain that already has two Wendy's operating within its properties, now sports an Arby's at its Detroit property and a restaurant run by Lockman Foods, an operator in Chicago, in a Days Inn within that city.

Country Kitchen International, the 260-unit family restaurant system, is spinning off a lodging chain called Country Inns. Properties that do not sport a Country Kitchen will feature a Denny's or some other chain restaurant, according to Country Kitchens' parent concern, Carlson Cos.

Meanwhile, Country Kitchen is continuing to put its stores adjacent to Dillon Inns and Super 8 motels. Dillon Inns has also teamed up with Mother Tucker's, the Winnipeg-based dinner-house chain.

The new entrants in lodging food service join an already sizable group of freestanding restaurant chains that have opened units in or near hotels. The pairings include a Red Lobster and a Holiday Inn, a Burger King and the Riviera casino-hotel in Las Vegas, McDonald's and both a La Quinta and a Thrifty Scot and both a Kentucky Fried Chicken and a Marc's Big Boy with a Budgetel Inn.

Teaming up with a chain-affiliated restaurant enables a lodging property to provide food service as a guest amenity without committing resources to a secondary business. "It allows hotel management to focus on the single most profitable aspect of a hotel, which is the rooms side," explained Michael A. Leven, president of Days Inns.

"The majority of hotels don't do a very good job at food service," commented Perry Sorensen, chief operating officer of Embassy Suites. "Our restaurants are not usually comparable in price-value with freestanding restaurants. Our customers were voting for freestanding restaurants with their feet."

At the same time, lodging operators readily acknowledge that their restaurants vary greatly in quality, leaving many travelers suspicious of hotel dining places. With a chain restaurant, "people know exactly what they'll get," noted Jim Cosentino, president of Dynamic Enterprises, a Buffalo-based lodging operator. "Nationally known chains help to draw people to the hotel."

But satisfying certain food-service requirements peculiar to hotels often lands a freestanding restaurant operator on unfamiliar turf.

For instance, S&A, parent of the Bennigan's and Steak and Ale dinner-house chains, is conducting its first full-fledged room-service breakfast program at the Steak and Ale's Plaza Grill restaurant in the Embassy Suites hotel in Kansas City, Mo.

"We have a few Bennigan's that do breakfast because they're on the same pad as a hotel, but this is the first time we've done breakfast to this extent," commented Lane Cardwell, S&A's senior vice president of strategic planning.

The Plaza Grill's morning menu, which Cardwell described as "fairly conventional," is offered only for in-room service because the Embassy Suites serves a free Continental breakfast every morning in the lobby.

S&A is also operating its first deli at the Kansas City Embassy Suites. "It's a full deli, and we also sell pizzas out of it," Cardwell said.

In its first hotel restaurant, Arby's, the roast beef chain, is featuring "a broader dinner menu that includes roast chicken, fried chicken and chopped steak," said Ira Hermann, the chain's chief operating officer.

Although Arby's already had a breakfast program, the offering was expanded at the Days Inn in Detroit to include bagels and biscuits, which are also being tested in freestanding Arby's units, Hermann said.

A section of the 180-seat Arby's in the Detroit Days Inn is dedicated to room-service operations, which are new to the chain. Catering will be offered to small groups meeting in the hotel. "We're doing catering at several other locations, including a unit we have at Tulane [University in New Orleans] and some in malls, so that's not completely new to us," Hermann said.

The interior of the Phoenix' Camelback Embassy Suites, site of the second hotel restaurant to be managed by S&A's new Innovative Foodservices division.

T.G.I. Friday's, the chain of antiques-packaged casual-theme restaurants, has branched out to provide guests of Atlanta's Post Inn with room service from a nearby store. The items can be ordered off a Friday's menu placed in the hotel's rooms.

Managing food-and-beverage facilities within a hotel can also require a change in attitudes on the part of chain restaurant operators. Said S&A's Cardwell: "The biggest adjustment for us was realizing that we weren't dependent just on the seats in the restaurant. We like having 266 seats in the 12 floors above us" at the 266-room Embassy Suites in Kansas City.

Furthermore, restaurant operators branching into the lodging market have to contend with the public's negative preconceptions of hotel dining places.

"People expect hotel restaurants to offer average quality—at best—for a really high cost," Cardwell said. By emphasizing value at the 130-seat Steak and Ale's Plaza Grill, S&A is striving to prove that "we're a restaurant within the walls of a hotel," he added.

Entrée prices range from $4.45 to $13.95, with checks averaging between $6 and $7 at lunch and between $10 and $11 at dinner, according to Cardwell.

The menu used for lunch and dinner includes shrimp, a 1-lb. pork chop and babyback ribs, all cooked in a smoker. Also offered are stuffed game hen, a fresh fish-of-the-day, a filet mignon and a selection of sandwiches and soups.

"During our first week, 90% of our lunches were sold through the luncheon buffet," Cardwell said. The all-you-can-eat buffet, priced at $5.95, includes several soups and salads, cold cuts and three different entrées every day. Recently featured were veal cutlets, fried chicken and artichoke bottoms stuffed with crabmeat.

Freestanding restaurant operators branching into lodging food service expect to be paid back handsomely for their willingness to explore a new market.

"We're expecting that sales [of the Arby's unit in the Detroit Days Inn] will be considerably higher than a typical unit's," Hermann said. "Our projections are very high."

"It's kind of a comfort knowing that there's a portion of your business you can sort of count on," Cardwell said of S&A's sales expectations for its hotel unit in Kansas City.

Days Inns' Leven said the two Wendy's operating within Days properties are both taking in more than $900,000 annually. The systemwide per-store average for Wendy's is $850,000, according to *NRN* research.

The operators said they also expect to reap a number of intangible benefits from their move into hotel food service.

"It crossed our minds that there are a lot of menu concepts we could put in very quickly" at the Plaza Grill, S&A's Cardwell noted. "For instance, we have a rotisserie in Kansas City. Something like that could be put into a Steak and Ale or one of our other concepts."

"We're going to be watching the expanded dinner program [at the Arby's in the Detroit Days Inn] very closely," Arby's Hermann acknowledged.

A hotel can also be a very effective testing ground for a product being considered for a nationwide rollout. As many consumer-goods companies have already discovered, a lodging property can present a cross segment of the population since it draws consumers from many regions of the nation.

Furthermore, Arby's Hermann pointed out that providing room service within a hotel is a good warm-up for adding delivery service at stores located in malls and office parks.

"As soon as we're certain we're doing a good job [in room-service], we

*(See **HOTEL**, page F4)*

LODGING FOOD-SERVICE SALES TRENDS

Year	Revenues ($ bil.)	Percent of nominal growth	Percent of real growth
1983	$6.15	+2.4%	−1.9
1984	6.50	+5.7	+1.4
1985	6.49	−0.1	−3.9
1986*	6.32	−2.7	−6.3
1987†	6.57	+4.0	0.0

*Preliminary

†Forecast

Source: International Foodservice Manufacturers Association/Technomic Consultants

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FREESTANDERS GET THE NOD

'The infiltration . . . comes at a time when the hotel food-and-beverage market is at its lowest point in years.'

(Continued from page F3)

plan to expand into delivery," Cardwell said in reference to the Plaza Grill.

Similarly, diversification into the hotel market is giving many restaurant operators their first taste of on- and off-premises catering.

The infiltration of restaurant chains into hotel food service comes at a time when the hotel food-and-beverage market is at its lowest point in years.

Cover counts within hotel restaurants have been declining slightly but steadily for almost two years, according to Bjorn Hanson, senior principal for the New York office of Laventhol & Horwath, which tracks trends in the food-service and lodging industries. "Some of that decline comes from a decline in [room] occupancy rates, but cover counts are falling slightly faster," Hanson said.

Hotel food-service revenues fell by 0.1% in 1985 to $6.49 billion, for a negative real growth of 3.9%, according to a study prepared for the International Foodservice Manufacturers Association by Technomic Consultants, a Bannockburn, Ill.-based research concern.

Technomic projected that hotel food-service revenues would decline this year by 2.7% in nominal terms and 6.3% in real terms, to $6.32 billion. The company's forecast calls for a 4% nominal sales rise, to $6.57 billion, in 1987.

"We were very aware of the cover counts situation. Anyone would have been nervous," Cardwell said in recounting S&A's decision to branch into hotel food service. "But we saw an opportunity. There are an awful lot of hotels wanting to get out of food service. One of our biggest priorities was getting into some management-type situations. In the restaurant business you travel all the time. After a while, you start thinking about the hotel and its restaurants."

S&A's game plan calls for its new division, Innovative Foodservices, to manage all food-service operations, including caterings, room service, restaurants and lounges for five more Embassy Suites properties. Each restaurant will be a different concept tailored to the hotel's market, according to Cardwell.

If the six-property test with Embassy Suites lives up to expectations, said Cardwell, Innovative Foodservices will seek out other chains as partners.

"As prime restaurant real-estate sites diminish, our management contracts may lead to site extensions for our existing concepts, such as Steak and Ale and Bennigan's," said Gary Link, who, as S&A's vice president of new business development, will have day-to-day responsibility for hotel operations.

"We would like over time to go into businesses other than hotels," Cardwell said. "What we're looking at is what we call 'value-added businesses.' We're looking ahead to renting our services."

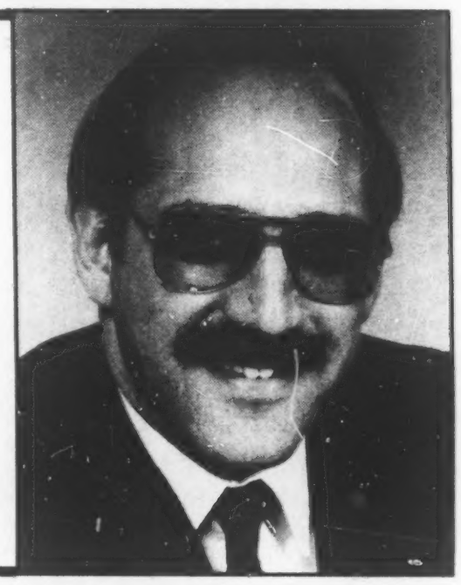
Similarly, Arby's Hermann said the venture into lodging food service is only one of many new endeavors planned.

"We're very bullish on this [hotel] program," he said. "We're looking at other locations. We would like to do as many hotel restaurants as possible" with Days or other chains.

"We're looking at other 'captive sites' —maybe places where you can use credit cards," he said. "In two months you're going to see a major development."

'We want to do as many hotel restaurants as possible' with Days or other chains.

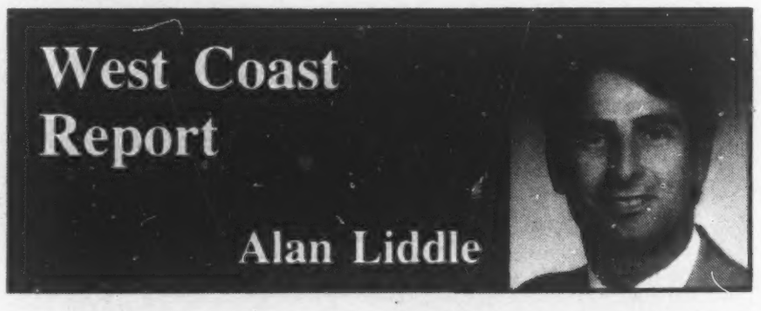
Ira Hermann, Arby's chief operating officer



Family tree of restaurants now bearing fruit in three states

This is an agricultural tale of sorts. It concerns a growing family tree of restaurateurs that was planted in the San Francisco Bay Area in the late '60s and '70s and now bears fruit in three states.

The Refectory connection: John Leonudakis and David Peterson had hired and been associated with several talented people by the time they sold their Refectory steakhouse chain, then 18 units, to Saga Corp. in 1973.



After the sale, Peterson drifted into television production projects, and Leonudakis decided that Reno, Nev. (more than a few miles from the ocean), needed a fresh fish restaurant. So he opened Rapscallion there in 1977.

Rapscallion is an Old San Francisco-style fish house (dark, woodsy and trimmed with brass), which offers one of the most extensive fresh sheets in the country: 22 to 34 varieties of grilled, poached, sautéed and fried seafood and freshwater swimmers daily.

Leonudakis told *NRN* recently that he has been lured to Irwindale, a tiny San Gabriel Valley (Southern California) community by promises of low rent and a daily influx of about 40,000 commuting wage earners. He plans to open a second Rapscallion there in February.

Irwindale once relied almost exclusively on quarries for its livelihood but is trying to broaden its industrial base.

"The city is the landlord, and it's giving us a lot of incentives for three years," he said of the rent deal and other goodies offered through the redevelopment project Rapscallion will be a part of. Leonudakis is betting that his lunch trade will be tops from the start and that he can build a substantial dinner trade in three years.

Reno chef Christopher Logan will handle the kitchen of the new restaurant, where entrées will be $7 to $13.

Pat Kuleto, former Refectory designer, general contractor and construction manager, designed Rapscallion I.

The northern branch: Bill McCormick was once Leonudakis' partner and Doug Schmick, a Refectory employee. McCormick and Schmick are now the restaurant kingpins of the Portland, Ore., market, with five of the most successful businesses around, including the landmark Jake's Famous Crawfish downtown and the contemporary and crowded Harborside Restaurant and Shanghai Lounge at River Place.

The pair also own two seafood restaurants in Seattle and Jake's Wholesale Seafood, which supplies some of the Refectory family, including Bruce and Gayla Mace, of Mace's Restaurant in Sacramento, Calif., the husband and wife team who met at Rapscallion.

Now word comes from the Portland *Business Journal* that McCormick and Schmick plan to open three new restaurants in Southern California during the next two years and are negotiating for sites in Irvine, San Diego and the greater Los Angeles area.

Hats off to the *Business Journal* for even getting the duo to return a call. The score at *NRN* during the past 20 months: More than a dozen calls placed—none answered.

No word yet on which of the concepts the team will move to California.

Footnote: Kuleto designed two restaurants for McCormick and Schmick.

The island branch: Steve Sears and Brian Wilson, Refectory alumnus and the owners of Sam's Anchor Cafe, a landmark seafood restaurant in waterfront Tiburon, just north of San Francisco, also utilized Kuleto for their new Sam's Beachside Grill on the Hawaiian island of Maui. They are shooting for a February opening.

The old Sam's—66 years old—has dark wood paneling, while the new version will be contemporary, upscaled and trimmed with the likes of marble.

The menu at the new restaurant will offer more grilled meats and game birds than the menu at the original.

Not quite finished: Perhaps infected with the expansion bug going around among ex-Refectorites, Wayne Wilkinson and Bob Gattis, who own two Crogan's Bar & Grill restaurants—one in bustling Walnut Creek, Calif., and the other in nearby Montclair (near Oakland)—have made an offer on a site in the Marina District of San Francisco. If the deal solidifies, they could be in and open shortly after the first of the year, Wilkinson said.

While the other two Crogan's specialize in fresh seafood and Cajun fare, he said the new 130-seat restaurant—which, in the planning stages, is being called Crogan's Marina Grill—would have a smaller, more eclectic menu.

Wilkinson acknowledged that San Francisco is a tough market, but he added that the proposed lease appeared too good to turn down.

Leonudakis had a hand in the pending Marina deal.

And Kuleto—you guessed it—designed Crogan's (Walnut Creek).

What about this Kuleto chap? Among the 115 restaurants designed by Kuleto are the Fog City Diner in San Francisco, which has an interior reminiscent of a luxurious private railcar; the woody and warm Old San Francisco/Old South decor of the Savannah Grill in Corte Madera, Calif.; and Bruce and Gayla Mace's British outpost-themed restaurant in Sacramento.

So prolific, popular and respected is the 41-year-old designer that San Francisco hotelier-restaurateur Bill Kimpton recently named his newest eatery Kuleto's.

Kuleto designed the new tapas and northern Italian cuisine restaurant adjacent to Kimpton's Villa Florence Hotel on Powell Street in San Francisco. The restaurant reportedly cost $1 million.

More on Kuleto, Kuleto's and Kimpton in *NRN* later.

No Refectory links but opening anyway: Randy Paragary, whose Paragary's Bar and Oven and Zito's Pasta and Grill restaurants are two of the most successful in Sacramento, is opening a second Bar and Oven unit in San Francisco. He is in the process of converting an old two-story Zim's coffee shop on the corner of Van Ness and Jackson and has penciled in a January opening for the 160 seater.

Paragary's Bar and Oven offers regular-sized "gourmet" pizzas and calzones—as opposed to the down-sized pedigrees offered by many California Cuisine restaurants—along with pastas, salads and grilled fish and meats. He said he might offer some specials with a Mexican flair at the new restaurant, as well as breakfast pastries baked in the wood-burning pizza oven.

Breakfast is in the works because the restaurant is adjacent to a motor inn, where guests will be able to order room service supplied by Paragary's crew.

"Being a Sacramento restaurateur, I've always gone to San Francisco for ideas," Paragary said of his attraction to the Golden Gated municipality with a growing reputation for being intensely competitive.